

Message Text

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6132

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY LISBON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USDEL SALT TWO GENEVA

USDEL MBFR VIENNA

USMISSION NATO

USMISSION GENEVA

USNMR SHAPE BRUSSELS BELGIUM

USCINCEUR

CINCUSAREUR

CINCUSAFE

CINCUSNAVEUR

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POUCHED ALL CONSULATE IN CANADA FOR INFO

3.O. 11652: GDS

TAGS: PFOR, US, CA

SUBJ: ANNUAL POLICY ASSESSMENT: CANADA

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DETAILED EXAMINATION OF PURSUIT OF US OBJECTIVES LISTED IN CANADA PRA HAS BEEN UNDERTAKEN BY ALL ELEMENTS COUNTRY TEAM AND IS BEING TRANSMITTED BY AIRGRAM. THERE FOLLOW HIGHLIGHT, ANALYSES, CONCLUSIONS AND RECOMMENDATIONS RESULTING FROM EMBASSY STUDY OF THIS BACK-UP MATERIAL.

1. DURING THE PAST YEAR, US-CANADIAN RELATIONS HAVE EXPERIENCED A NUMBER OF STRAINS, THE MOST SIGNIFICANT OF WHICH WERE:

(A) GOC DECISION TO REDUCE OIL EXPORTS TO THE US.

(B) BRITISH COLUMBIA DECISION TO REDUCE NATURAL GAS SHIPMENTS TO THE US.

(C) GOC IMPOSITION OF A QUOTA ON IMPORTS OF US BEEF AND THE RETALIATORY US LIMITATION ON CANADIAN MEAT IMPORTS.

(D) GOC IMPLEMENTATION OF PHASE I OF ITS FOREIGN INVESTMENT REVIEW ACT REGULATING FOREIGN TAKE-OVERS OF CANADIAN FIRMS AND ITS ANNOUNCED INTENTION TO PROCEED TO PHASE II SCREENING OF NEW FOREIGN INVESTMENT AND EXPANSION OF EXISTING FOREIGN-CONTROLLED PLANTS.

(E) GOC EFFORTS TO LIMIT US CULTURAL PENETRATION OF CANADA BY ANNOUNCED DECISION TO REMOVE TAX WRITE-OFFS FOR ADS PLACED BY CANADIAN FIRMS IN CANADIAN EDITIONS OF TIME AND READER'S DIGEST AND ON US RADIO AND TV STATIONS.

(F) CONTINUED GOC INSISTENCE, AS SECOND LOS CONFERENCE OPENS, ON PROVISIONS OPPOSED BY THE US: EXTENTIONS OF ECONOMIC ZONE TO MARGIN OF CONTINENTAL SHELF, SPAWNING-STATE CONTROL OVER ANADROMOUS FISH SPECIES BEYOND ECONOMIC ZONE, AND COASTAL-STATE CONTROL OVER VESSEL-SOURCE POLLUTION IN ECONOMIC ZONE.

(G) GOC COMPLAINTS AGAINST EXTRATERRITORIAL
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APPLICATIONS OF US TRADING WITH THE ENEMY ACT WITH RESPECT TO TRADE WITH CUBA BY US FIRMS LOCATED IN CANADA.

(H) CONTINUING DIFFERENCES ON A VARIETY OF ENVIRONMENTAL ISSUES AND BORDER DISPUTES, INCLUDING MOST NOTABLY THE STATED INTENTION OF GOC TO LIMIT THE SIZE OF TANKERS PASSING THROUGH HEAD HARBOR PASSAGE

ENROUTE TO OR FROM THE PROPOSED EASTPORT MAIN REFINERY,
SHOULD THE PITTSTON COMPANY'S APPLICATION TO BUILD ONE
BE APPROVED.

(I) CONTINUED GOC TENDENCY TO DOWNGRADE
DEFENSE AND TO DIVERT FUNDS TO OTHER PROGRAMS
WITH RESULT THAT CANADA DOES NOT BEAR A FAIR SHARE OF
NATO AND NORAD DEFENSE BURDENS IN RELATION TO ITS
NATIONAL WEALTH.

2. CERTAIN FACTORS ARE COMMON TO AND HELP EXPLAIN
MOST IF NOT ALL OF THESE DEVELOPMENTS:

(A) THEY REFLECT A GROWING CANADIAN NATIONALISTIC
ASSERTIVENESS. THIS IS FUELED IN PART BY THE FEELING
THAT THE RELATIVELY NEW CANADIAN IDENTITY, RECENTLY
EMERGED FROM THE BRITISH-DOMINION WOMB, IS VULNERABLE
AND MUST BE PROTECTED, PARTICULARLY FROM BEING
OVERWHELMED, HOWEVER UNINTENTIONALLY, BY US INFLUENCE.

(B) THEY EXHIBIT A DEGREE OF CANADIAN SENSITIVITY
TOWARDS BEING TAKEN FOR GRANTED BY THE WORLD IN GENERAL
AND MOST SPECIFICALLY BY ITS GIANT NEIGHBOR TO THE SOUTH.

(C) THEY REPRESENT EFFORTS TO PROTECT OR PROMOTE
WHAT ARE, IN CANADIAN EYES, LEGITIMATE CANADIAN INTERESTS,
BUT WHICH CAN BE ACCOMPLISHED ONLY AT THE EXPENSE OF US
INTERESTS.

(D) MANY OF THEM STEM AT LEAST IN PART FROM
GOC EFFORTS TO MAINTAIN NATIONAL UNITY AND EQUALIZE
BENEFITS ACROSS A VAST EXPANSE OF TERRITORY DIVIDED
INTO PROVINCES WITH POWERS WELL BEYOND THOSE ENJOYED
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BY STATES IN THE US, DIVIDED BY GEOGRAPHICAL, GEOLOGICAL,
AND CULTURAL FACTORS WHICH DICTATE AN UNEVEN PATTERN OF
ECONOMIC ACTIVITY AND GENERATE POLITICAL ANTAGONISMS
BETWEEN REGIONS AND ALSO BETWEEN PROVINCES AND THE
FEDERAL CENTER.

(E) THEY ARE CONSISTENT WITH CANADIAN ADOPTION
OF THE "THIRD OPTION" FOR CANADIAN-US RELATIONS: THE
STRENGTHENING OF THE ECONOMY AND OTHER ASPECTS OF
CANADIAN LIFE IN ORDER TO REDUCE CANADIAN VULNERABILITY
TO AND DEPENDENCE ON THE US.

(F) MANY OF THEM WERE CANADIAN INITIATIVES
UNDERTAKEN WITHOUT ADEQUATE CONSULTATION WITH THE US.

3. IN CONSIDERING THE US RESPONSE TO THE FOREGOING SITUATION, WE MUST BEAR IN MIND THAT THE RELATIVELY FEW THORNY PROBLEMS WE HAVE IN OUR RELATIONS WITH CANADA REPRESENT A SMALL PART OF AN ENORMOUS AND COMPLEX RELATIONSHIP WHICH IS FUNDAMENTALLY SOUND AND STRONG. CANADA MAY BE THE MOST STABLE OF WESTERN DEMOCRACIES. ON MOST INTERNATIONAL ISSUES OF IMPORTANCE TO US, CANADA USUALLY ADOPTS POSITIONS COMPATIBLE WITH OURS. CANADA IS OUR MOST IMPORTANT TRADE AND INVESTMENT PARTNER. SUCH A NEIGHBOR SHOULD BE CAREFULLY HANDLED. WHILE IT IS PROPER FOR US IN DEVISING OUR POLICIES TO FOCUS ON THE IRRITANTS IN OUR RELATIONS, WE MUST GUARD AGAINST OVERREACTIONS WHICH COULD UPSET CERTAIN OF THE MANY ADVANTAGES THAT ACCRUE TO US FROM OUR CLOSE RELATIONSHIP AND CREATE PROBLEMS IN AREAS WHERE NONE EXIST.

4. WE MUST ALSO BEAR IN MIND THE FACT THAT IN DEALING WITH PIERRE TRUDEAU WE ARE DOING BUSINESS WITH A LEADER WHO ENJOYS A SOLID DOMESTIC POLITICAL POSITION. TRUDEAU HAS A LOYAL LIBERAL MAJORITY BEHIND HIM WHICH, BARRING THE UNFORESEEABLE, MAKES HIM SAFE IN OFFICE UNTIL 1978-9, AND AT PRESENT HE COULD BE EXPECTED TO WIN ANOTHER TERM IF HE CHOSE TO TRY. THIS, TOGETHER WITH THE EXPERIENCE OF HIS SEVEN CONSECUTIVE YEARS AS HEAD OF GOVERNMENT PLUS HIS OWN PERSONALITY, MAKE HIM AN UNUSUALLY SELF-SECRET

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CONFIDENT POLITICAL LEADER.

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PART OF GOC'S NATIONALIST TACK STEMS FROM
THIS SELF-CONFIDENCE WHICH PERSUADES IT THAT IT
CAN LEAD CANADIAN PUBLIC ALONG SUCH COURSES WITHOUT
MUCH EFFECTIVE OPPOSITION OR CRITICISM. CABINET
INCLUDES SEVERAL STRONGLY NATIONALIST MINISTERS TO
WHOM TRUDEAU IS NOT EXACTLY UNSYMPATHETIC AND TO
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WHOM HE GIVES FAIRLY FREE REIN. GOC COULD EASILY
AFFORD PAY LESS HEED TO NATIONALIST DEMANDS, AND
RECENT POLL SHOWED THAT TWO-THIRDS OF CANADIANS
DISLIKE "THIRD OPTION." BUT LIBERAL PARTY MANDARINS
OBVIOUSLY ENJOY PLAYING WITH NATIONALIST FIREWORKDS.

COCKINESS BRED OF SUCH SELF-CONFIDENCE MAY BE
PARTIALLY BEHIND SOME OF THE CANADIAN INITIATIVES
DESCRIBED IN SECTION 1. ABOVE, WHICH HAVE BEEN MORE
CONFRONTATIONAL THAN USUAL IN THE PAST YEAR. AT THE
SAME TIME, CONFIDENCE OF THIS ORDER CAN BE TURNED TO
US ADVANTAGE: THE TRUDEAU GOVERNMENT, IF ADEQUATELY
MOTIVATED, CAN POLITICALLY AFFORD TO MAKE CONCESSIONS
TO THE US WITHOUT INCURRING UNACCEPTABLE DOMESTIC
POLITICAL DAMAGE. CANADAIN WILLINGNESS TO ACCEPT

POLITICAL RISKS WILL, HOWEVER, REQUIRE HIGH-LEVEL PERSUASION. THE RECENT FORD-TRUDEAU, KISSINGER-MACEACHEN, SIMON-TURNER, AND BUTZ-WHELAN CONTACTS HAVE GONE A LONG WAY TOWARD CONVINCING THE GOC THAT ADEQUATE ATTENTION IS BEING PAID BY THE USG TO THEM AND THEIR VIEWS. PARTLY AS A RESULT OF THESE EXCHANGES, THERE HAS BEEN EVIDENCE IN RECENT MONTHS OF A GROWING SENSITIVITY AND CONCERN IN GOC CIRCLES TO US REACTIONS, AND THIS HAS BEEN REFLECTED IN A LESS SHRILL, MORE CONCILIATORY TONE IN PUBLIC SPEECHES BY GOC LEADERS. IF THIS BASIS IS TO BE BUILT UPON, ESPECIALLY TO SECURE FUTURE COOPERATION OR CONCESSIONS FROM THE GOC, IT IS IMPORTANT THAT CONTACTS AT OR ABOVE THE MINISTERIAL LEVEL BE CONTINUED PERIODICALLY. IT IS DESIRABLE, AS WELL, THAT ROUGH EQUALITY IN US AND CANADIAN VIEWS BE ACHIEVED. IN THIS CONNECTION, AN EARLY VISIT TO OTTAWA BY THE SECRETARY WOULD BE AN EXTREMELY USEFUL UNDERTAKING.

5. AGAINST THIS BACKGROUND, WE FEEL THE US SHOULD EMPHASIZE THE FOLLOWING LINES OF ACTION IN THE CONDUCT OF RELATIONS WITH CANADA OVER THE NEXT TWO YEARS:

(A) NOT ONLY IS THE "THIRD OPTION" HERE TO STAY AS FAR AS THIS GOC IS CONCERNED. BUT IT REPRESENTS A DOCTRINE WHICH PRESENTS THE US WITH
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ADVANTAGES AND OPPORTUNITIES. TO THE EXTENT THAT CANADA IS SEEN INTERNATIONALLY TO BE INDEPENDENT OF (AND ON OCCASION ANTAGONISTIC TOWARD) THE US, RATHER THAN A US HANDMAIDEN; ITS VOICE WILL CARRY MORE WEIGHT INTERNATIONALLY AND IT WILL GAIN IN ITS ABILITY TO INFLUENCE OTHERS. GIVEN THE LIKELIHOOD THAT GOC AND US VIEWS WILL BE SIMILAR ON MOST INTERNATIONAL MATTERS OF INTEREST TO US, THIS SHOULD BE A NET GAIN FOR US INTERNATIONAL INTERESTS. FROM THIS POINT OF VIEW WE SHOULD WELCOME RECOGNITION BY THIRD COUNTRIES OF CANADA'S INDEPENDENCE OF THE US AND GOC EFFORTS TO WIDEN ITS POLITICAL, ECONOMIC AND CULTURAL CONTACTS IN THE WORLD, EXCEPT WHERE THESE WOULD CLEARLY WORK TO OUR DISADVANTAGE IN COMMERCIAL OR OTHER AREAS. IN LINE WITH THIS, CONSIDERATION MIGHT BE GIVEN TO DROPPING THE "CANADIAN AFFAIRS" ADDITION TO DEPUTY ASSISTANT SECRETARY VINE'S TITLE, AS SYMBOLIC OF OUR CONCURRENCE IN EXTERNAL AFFAIRS. SECSTATE MACEACHEN'S PROPOSITION THAT THE OLD "SPECIAL RELATIONSHIP" IS NO MORE.

(B) CANADIANS HAVE A TENDENCY TO THINK OF THEMSELVES AS POSSESSORS OF A SUPERIOR MEASURE OF

MORAL RECTITUDE AND QUALITY OF LIFE. THEY ALSO CLAIM TO FEEL MORALLY SOMEWHAT UNCOMFORTABLE THAT CANADA HAS BEEN BLESSED WITH RELATIVE OPULENCE WHILE MOST OF THE WORLD IS IN MISERY. THESE FEELINGS FAVORABLY DISPOSE THAT GOC TOWARD SUCH HUMANITARIAN ENDEAVORS AS PEACEKEEPING MISSION AND AID TO THE THIRD WORLD, WHICH THEY REGARD INCREASINGLY AS THEIR SPECIAL CONTRIBUTION TO WORLD PEACE AND STABILITY. COMBINED WITH THE "THIRD OPTION", THEY TEND TO MAKE CANADA RIPE FOR PERSUASION THAT IT SHOULD DO MORE ALONG THESE LINES. TRUDEAU HAS SPECIFICALLY ESCHEWED THE "MR. FIXIT" ROLE FOR CANADA. HOWEVER, REFLECTING THE "ACTIVIST ROLE ON THE LEFT" SUGGESTED BY PM'S CLOSEST FOREIGN AFFAIRS ADVISER, GOC HAS SHOWN TENDENCY TO BE "MR. GADFLY" IN MULTILATERAL FORA CONCERNED WITH SUBJECTS LIKE FOOD AND MARITIME LAW AND OTHER TOPICS OF PARTICULAR INTEREST TO LDC'S. WHILE THIS TENDENCY CAN RESULT IN CANADIAN ACTIONS WHICH CAUSE US SOME DISCOMFORT, SUGGESTIONS AND ENCOURAGEMENT FROM US MIGHT SUCCEED IN CHANNELING THESE ENERGIES

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INTO USEFUL HUMANITARIAN EFFORTS AND INCREASING THE CANADIAN SHARE OF THE LDC AID BURDEN. WE RECOMMEND THAT THE US PROVIDESUCH ENCOURAGEMENT, PARTICULARLY IN RELATION TO FRANCOPHONE AREAS WHERE A CANADIAN COUNTERWEIGHT TO FRENCH INFLUENCE MIGHT BE ADVANTAGEOUS TO THE US.

(C) GOC SPOKESMEN HAVE STATED THAT THE "THIRD OPTION" DOES NOT MEAN ANTI-AMERICANISM BUT RATHER A MORE MATURE RELATIONSHIP. WE BELIEVE THAT THIS ATTITUDE SHOULD BE RECIPROCATED, NOT BY ANTI-CANADIANISM BY THE US, BUT BY TREATING CANADA LIKE THE MATURE PARTNER CANADA PROFESSES TO WANT TO BE. THUS WE SHOULD WITHOUT OVER-REACTION, TEND IN OUR RELATIONS WITH THE GOC TO SEEK RECIPROCITY AND TO BE FIRM AND EXPLICIT IN ESPOUSING US INTERESTS WHICH MIGHT BE ADVERSELY AFFECTED BY A PROPOSED OR ALREADY IMPLEMENTED GOC ACTION. WE WE SHOULD CONVEY TO THE GOC THAT CONCESSIONS FROM THE US WILL NOT BE FOR FREE. GIVEN THE CANADIAN SENSITIVITY ABOUT BEING TAKEN FOR GRANTED, WE FEEL THAT A US ATTITUDE OF "BENIGN COMPETITION" MAY QWLL PEOCW PEWDWEABLE FROM

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CINCUSNAVEUR

AMEMBASSY LONDON

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THE GOC POINT OF VIEW TO ONE THEY MIGHT INTERPRET
AS "BENIGN NEGLECT."

(D) WE FEEL STRONGLY THAT WE SHOULD CONTINUE
TO KEEP PROBLEMS IN OUR RELATIONS WITH CANADA IN
SEPARATE NICHES, DEALING WITH EACH TO THE EXTENT
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POSSIBLE ON ITS OWN MERITS. GIVEN THE COMPLEX
INTER-TWINING OF INTERESTS INVOLVED, TO DO OTHERWISE

WOULD RUN THE RISK OF HITTING UNINTENDED TARGETS,
SOME OF WHICH MIGHT BE AMERICAN, AS WELL AS RISKING
RETALIATION.

(E) NORMALIZATION OF OUR RELATIONS WITH CUBA
WOULD BOTH REMOVE THE IRRITANT IN OUR RELATIONS WITH
CANADA REPRESENTED BY THE EXTRATERRITORIAL APPLICATION
OF THE TRADING WITH THE ENEMY ACT AND AT THE SAME TIME
ENABLE US FIRMS TO COMPETE IN A RAPIDLY-GROWING MARKET
IN WHICH CANADA IS INCREASINGLY CONSOLIDATING ITS
POSITION. UNTIL THAT HAPPENS, WE FEEL THE US SHOULD
CONTINUE TO REVIEW ON ITS MERITS EACH APPLICATION FOR
A TREASURY LICENSE FOR PROPOSED EXPORTS TO CUBA BY
US-CONTROLLED FIRMS LOCATED IN CANADA. HOWEVER, WE FEEL
THAT THE USG INTERNALLY SHOULD BE PRE-DISPOSED TO GRANT
SUCH EXEMPTIONS. SUCH A PROCEDURE WILL NOT REMOVE
THE IRRITANT ENTIRELY (WHICH SERVES A CERTAIN PURPOSE)
BUT WILL BLUNT ITS CUTTING EDGE AND MINIMIZE THE
POSSIBILITY THAT CANADIANS WILL CLAIM WE BLOCKED
SUCH TRADE IN ORDER TO SAVE THE CUBAN MARKET FOR
OURSELVES AT SUCH TIME AS WE MAY RESUME NORMAL
RELATIONS WITH CUBA.

(F) WHILE CANADA CAN FEEL IT CAN SHED
SOMEWHAT FROM GLOBAL TURBULENCES BY VIRTUE OF ITS
NATURAL, ECONOMIC, AND SOCIAL RESOURCES BETTER THAN
MOST OTHERS, IT APPRECIATES THE FACTS OF INTERDEPENDENCE
AND WILL BE PREPARED TO COOPERATE WITH US AND OTHER
FRIENDLIES IN MEETING SUCH INTERNATIONAL PROBLEMS AS
MONETARY SYSTEM REFORM, TRADE LIBERALIZATION, ENERGY
SHORTAGES, OVERPOPULATION, AND FOOD SUPPLY. AT THE
SAME TIME, THE POSSIBILITY OF GROWING PROTECTIONIST
PRESSURES, LIMITATIONS ON US ACCESS TO CANADIAN GAS
AND OIL RESOURCES, ADDED PRESSURES ON US INVESTMENTS IN
CANADA, CANADIAN MULTILATERAL TRADE NEGOTIATION
POSITIONS -- ALL OF THESE AND OTHER ECONOMIC ISSUES
WILL REQUIRE ALERTNESS ON OUR PART AND READINESS
TO STAND UP FOR OUR INTERESTS IN A TIMELY AND EFFECTIVE
MANNER.

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(G) WE THINK THAT THE PARA OBJECTIVE "MAINTENANCE
OF CANADIAN STABILITY" SHOULD BE REPHRASED. AS THE PARA
TEXT RECOGNIZES, THERE IS LITTLE WE CAN DO POSITIVELY IN
ORDINARY CIRCUMSTANCES TO ACHIEVE THIS OBJECTIVE. HOWEVER,
WE DO POSSESS A CERTAIN POTENTIAL FOR UPSETTING CANADIAN
STABILITY TO A DEGREE, PARTICULARLY BY ANY ACTIONS OF
OURS WHICH MIGHT BE INTERPRETED BY CANADIANS AS MEDDLING
IN THE SENSITIVE AREA OF FEDERAL-PROVINCIAL OR INTER-

PROVINCIAL RELATIONSHIPS. WE WOULD THUS RECOMMEND A REPHRASING ALONG THE LINES: "AVOIDANCE OF ACTIONS WHICH COULD ADVERSELY AFFECT CANADIAN STABILITY."

(H) IN THE CONTEXT OF NORAD AND, PARTICULARLY, NATO, A MATURE CANADA SHOULD BE WILLING TO BEAR ITS FAIR SHARE OF THE MUTUAL DEFENSE BURDEN. EVERY APPROPRIATE OPPORTUNITY THAT OFFERS ITSELF SHOULD BE SEIZED UPON BY US OFFICIALS TO IMPRESS UPON CANADIANS THAT A PROSPEROUS, STRONG (AND MATURE) CANADA IS ABLE AND SHOULD BE WILLING TO CONTRIBUTE TO THE COMMON DEFENSE ON A PER CAPITA BASES SIGNIFICANTLY HIGHER THAN THE PRESENT LEVEL, WHICH APPROXIMATES THAT OF LUXEMBOURG. WE MAY NOT SUCCEED IN GETTING THE GOC TO CONTRIBUTE MORE, BUT IF THEY DON'T WE SHOULD MAKE THEM AS SHEEPISH ABOUT IT AS POSSIBLE.

(I) CONSULTATION HAS BECOME VIRTUALLY THE "NAME OF THE GAME" IN US-CANADIAN RELATIONS. OFTEN GENUINE CONSULTATION HAS TAKEN PLACE. TOO OFTEN, WHAT ONE SIDE CHOOSES TO CALL "CONSULTATION" THE OTHER WOULD CHARACTERIZE AS "SHORT (IF ANY) NOTICE OF AN ULTIMATUM," AS A WORKING MINIMUM (THOUGH THERE WILL BE EXCEPTIONS), WE WOULD HOPE TO ESTABLISH THE PRINCIPLE IN OUR MUTUAL RELATIONS THAT EACH SIDE WILL BE PROVIDED WITH AN OPPORTUNITY TO INFORM THE OTHER FULLY AND FRANKLY OF THE ADVERSE EFFECTS IT ANTICIPATES ON ITS INTERESTS FROM A PROPOSED ACTION OF THE OTHER. CONSULTATION IMPLIES PRODUCING AS FEW SURPRISES TO ONE'S FRIEND AND ALLAY AS POSSIBLE, AND CONDUCTING BUSINESS IN A STYLE PERCEIVED BY THE OTHER SIDE AS REASONABLE AND CIVILIZED.

6. IN HIS DECEMBER 9, 1969 LETTER TO THE AMBASSADOR, A
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DOCUMENT WE UNDERSTAND TO BE STILL FULLY OPERATIVE, THE PRESIDENT CALLED UPON THE AMBASSADOR TO DIRECT AND COORDINATE USG ACTIVITIES "TO THE END THAT ALL UNITED STATES ACTIVITIES IN CANADA ARE RELEVANT TO CURRENT REALITIES, ARE EFFICIENTLY AND ECONOMICALLY ADMINISTERED, AND ARE EFFECTIVELY INTERRELATED SO THAT THEY WILL MAKE A MAXIMUM CONTRIBUTION TO UNITED STATES INTERESTS IN THAT COUNTRY." GIVEN THE GALAXY OF US-CANADIAN RELATIONSHIPS, PROPINQUITY AND CONSEQUENT EASE OF ACCESS AND COMMUNICATION BETWEEN OFFICIALS OF ALL GOVERNMENTAL ENTITIES ON BOTH SIDES OF THE BORDER, THIS DIRECTIVE IS UNIQUELY DIFFICULT TO IMPLEMENT IN CANADA. WE FEEL, NONETHELESS, THAT GREATER EFFORTS SHOULD BE MADE TO IMPRESS UPON ALL GOVERNMENTAL AGENCIES HAVING DEALINGS WITH CANADIAN COUNTERPARTS THE NEED TO KEEP THE STATES DEPARTMENT AND/OR EMBASSY OTTAWA FULLY INFORMED OF ANY CONTACTS, IN ADVANCE WHEREEVER POSSIBLE,

IN ORDER THAT THE STATE/EMBASSY COORDINATING RESPONSIBILITY
MAY BE MORE EFFECTIVELY DISCHARGED.

7. THE RESOURCES AVAILABLE TO THIS MISSION ARE GENERALLY
ADEQUATE. HOWEVER, WE WISH TO REITERATE REQUESTS IN OUR
RECENT BUDGET SUBMISSIONS FOR AN ECONOMIC/COMMERCIAL
OFFICER POSITION FOR CALGARY, A JUNIOR COMMERCIAL OFFICER
FOR OTTAWA, AN ADDITIONAL CONSULAR OFFICER POSITION FOR
TORONTO AND ONE FOR OTTAWA, AND A COMMUNICATIONS OFFICER
POSITION FOR TORONTO. WITH RESPECT TO PERSONNEL ASSIGNMENTS,
WHILE RECOGNIZING THAT ASSIGNMENTS TO POSTS IN
CANADA WILL SOMETIMES BE MADE IN PART ON COMPASSIONATE
GROUNDS, WE WOULD URGE THAT THE PRIMARY CRITERION
TO BE APPLIED IN ALL CASES BE THE INDIVIDUAL'S
QUALIFICATIONS FOR THE JOB. WE URGE THAT ACTION
BE INITIATED TO PROVIDE THE CONSULATE GENERAL IN
MONTREAL WITH ADEQUATE OFFICE SPACE. WE SHOULD
ALSO LIKE TO SIGNAL IN ADVANCE THAT THE 1976 MONTREAL
OLYMPICS WILL NECESSITATE A TEMPORARY INCREASE IN
PERSONNEL CEILINGS. FINALLY, WE URGE OFFICIALS
RESPONSIBLE FOR THE ALLOCATION OF TRAVEL FUNDS TO
LOOK AT A MAP OF CANADA WHICH SHOULD PROVIDE INSTANT
RECOGNITION OF THE EMBASSY'S AND CONGENS' NEED FOR
GREATER TRAVEL FUNDS, PARTICULARLY IF WE ARE TO
EXERCISE COORDINATION WITH ANY DEGREE OF ADEQUACY.

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